

Message Text

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PAGE 01 STATE 167789
ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 L-03 NSC-05 EB-08 AID-05
COME-00 /038 R

XMB

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EXIM: S GLAZER
EXIM: E J O'CONNOR
EB/IFD/ODF:TPARKER (INFO)
EB/ITP/EWT:HCLARKE
NSC:RKING (SUBS)
L/EUR:JCROOK
-----125755 010932Z /10
R 010153Z JUL 78
FM SECSTATE WASHDC
TO AMEMBASSY BUDAPEST

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E.O. 11652: N/A

TAGS: EFIN

SUBJECT: EXIMBANK ACTIVITY WITH HUNGARY

REF: BUDAPEST 2313

1. EXIMBANK CHAIRMAN MOORE MET NATIONAL BANK OF HUNGARY
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(NBH) PRESIDENT MATYAS TIMAR AT BIS ANNUAL MEETING IN
BASEL JUNE 11-12, BUT THERE WAS ONLY BRIEF REFERENCE TO
PROCEDURES FOR OPENING EXIMBANK ACTIVITY WITH HUNGARY.
IT WAS MUTUALLY AGREED TO DISCUSS SPECIFIC PROCEDURES
BETWEEN NBH AND EXIM AFTER THE TRADE AGREEMENT WAS APPROVED.

2. SINCE CONGRESS HAS APPROVED THE TRADE AGREEMENT, IT
SHOULD BE ONLY A RELATIVELY SHORT TIME UNTIL THE
TRADE AGREEMENT IS BROUGHT INTO FORCE. US AGENCIES ARE

PROCEEDING TO OBTAIN THE PRESIDENTIAL DETERMINATION (PD) THAT IT IS IN NATIONAL INTEREST FOR EXIMBANK TO DO BUSINESS IN HUNGARY AS REQUIRED UNDER THE EXIMBANK LEGISLATION TO PERMIT EXIMBANK TO SUPPORT US EXPORTS TO HUNGARY. THIS STEP ALSO SHOULD PROCEED FAIRLY PROMPTLY. THE PD MUST BE REPORTED TO THE CONGRESS BUT DOES NOT REQUIRE ANY CONGRESSIONAL ACTION.

3. THE EMBASSY IS REQUESTED TO REVIEW WITH THE NBH AND ANY

OTHER APPROPRIATE HUNGARIAN OFFICIALS THE STEPS UNDERWAY TO PERMIT EXIMBANK TO BEGIN OPERATIONS WITH HUNGARY. ALSO PLEASE EXPLAIN THAT IF THE HUNGARIANS WISH, EXIMBANK IS PREPARED TO MEET WITH HUNGARIAN REPRESENTATIVES EVEN BEFORE THE PD IS ISSUED FOR INFORMAL DISCUSSIONS OF OPERATING PROCEDURES, PRESUMABLY WITH THE NBH. SUCH TALKS COULD BEGIN AT ANY TIME, AND HUNGARIAN REPRESENTATIVES ARE INVITED TO VISIT WASHINGTON AT THEIR EARLIEST CONVENIENCE FOR THIS PURPOSE. EXIMBANK COULD THEN PREPARE TEXTS TO BE CONCLUDED FORMALLY AFTER THE PD IS ISSUED, AND EXIMBANK SUGGESTS THAT ITS TEAM VISIT BUDAPEST FOR THIS PURPOSE IN SEPTEMBER. (FYI IT WOULD NOT BE APPROPRIATE FOR EXIMBANK TO SEND A TEAM TO BUDAPEST UNTIL ALL FORMALITIES REGARDING THE TRADE AGREEMENT HAVE BEEN COMPLETED AND LIMITED OFFICIAL USE

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THE PD HAS BEEN FORMALLY REPORTED TO THE CONGRESS, SO EARLY SEPTEMBER APPEARS EARLIEST FEASIBLE TIME FOR EXIM VISIT. END FYI) VANCE

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NNN

Message Attributes

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Draft Date: 01 jul 1978
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